

## **DISCLOSURE STATEMENTS OF CONFLICT OF INTERESTS**

Section.

- 8-50-501. Disclosure statements of conflict of interest by certain public officials.
- 8-50-502. Disclosure statements – Contents.
- 8-50-503. Amendments of disclosure statements.
- 8-50-504. Filing of amended disclosure statement.
- 8-50-505. Enforcement powers.
- 8-50-506. Career service employees - Financial disclosure.

### **8-50-501. Disclosure statements of conflict of interests by certain public officials.**

(a) Disclosure of the interests named in § 8-50-502 shall be made to the registry of election finance by candidates for and appointees to the following offices:

- (1) Each member of the general assembly;
  - (2) The secretary of state, comptroller of the treasury, state treasurer and each member of the state election commission;
  - (3) Each director of the Tennessee regulatory authority;
  - (4) The governor;
  - (5) Each officer of the governor's cabinet;
  - (6) Each supreme court justice, each judge of the court of criminal appeals and each judge of the court of appeals;
  - (7) Each delegate to a constitutional convention called to consider a new constitution or amendments to the Constitution of Tennessee;
  - (8) The attorney general and reporter;
  - (9) The district attorneys general and the public defenders for each judicial district;
  - (10) The administrative director of the courts;
  - (11) The executive director of the district attorneys general conference;
  - (12) The state election coordinator;
  - (13) Members of the board of probation and parole;
  - (14) Members and executive director of the alcoholic beverage commission;
  - (15) The chancellor of the board of regents and the president of each college or university governed by the board of regents;
  - (16) The president of the University of Tennessee, and the chancellor of each separate branch or campus of the University of Tennessee; and
  - (17) Members of the registry of election finance.
- (b) Each candidate or appointee to a local public office as defined in § 2-10-102(11)(A) shall make a disclosure of the interests named in § 8-50-502 by filing a disclosure statement with the county election commission in the county of the candidate's residence.

- (c) A candidate for any of the offices in subsections (a) or (b) which are elective shall file a disclosure statement no later than thirty (30) days after the last day provided by law for qualifying as a candidate. The county election commission in each county shall forward a complete list of candidates who have qualified for state public office in its county to the registry of election finance within three (3) days of the qualifying deadline. Such list shall include each candidate's name, address and the office sought. An appointee to any of the offices listed in subsection (a) shall file a disclosure statement within thirty (30) days from the date of appointment. The appointing authority shall notify the registry of election finance or the county election commission, as appropriate, of any such appointment within three (3) days of the appointment. Any candidate or appointee who is holding the same position for which such person is a candidate or appointee shall not be required to file the statement required by this subsection (c), as long as such candidate or appointee is in compliance with §§ 8-50-503 and 8-50-504.
- (d) (1) The disclosure shall be in writing in the form prescribed by the registry of election finance and shall be a public record.
- (2) A person required to file the form required by this part shall have one (1) attesting witness sign the form before it is submitted to the appropriate authority. The form need not be notarized before it is submitted to the appropriate authority.
- (e) The computation of time within which to do any act required by this part shall be in accordance with § 1-3-102.

#### **8-50-502. Disclosure statements - Contents.**

Disclosure shall be made of:

- (1) The major source or sources of private income of more than one thousand dollars (\$1,000), including, but not limited to, offices, directorships, and salaried employments of the person making disclosure, the spouse, or minor children residing with such person, but no dollar amounts need be stated. This subdivision (1) shall not be construed to require the disclosure of any client list or customer list.
- (2) Any investment which the person making disclosure, that person's spouse, or minor children residing with that person has in any corporation or other business organization in excess of ten thousand dollars (\$10,000) or five percent (5%) of the total capital; however, it shall not be necessary to state specific dollar amounts or percentages of such investments;
- (3) Any person, firm, or organization for whom compensated lobbying is done by any associate of the person making disclosure, that person's spouse, or minor children residing with the person making disclosure, or any firm in which the person making disclosure or they hold any interest, complete to include the terms of any such employment and the measure or measures to be supported or opposed;
- (4) In general terms by areas of the client's interest, the entities to which professional services, such as those of an attorney, accountant, or architect, are furnished by the person making disclosure or that person's spouse;
- (5) By any member of the general assembly, the amount and source, by name, or any contributions from private sources for use in defraying the expenses necessarily related to the adequate performance of that member's legislative duties. The expenditure of campaign funds by an officeholder for the furtherance of the office of the officeholder shall be considered as an expenditure under title 2, chapter 10, and such expenditures need not be reported under the provisions of this chapter;
- (6) Any retainer fee which the person making the disclosure receives from any person, firm, or organization who is in the practice of promoting or opposing, influencing or attempting to influence, directly or indirectly, the passage or defeat of any legislation before the general assembly, the legislative committees, or the members to such entities;
- (7) Any adjudication of bankruptcy or discharge received in any United States district court within five (5) years of the date of the disclosure;

(8) Any loan or combination of loans of more than one thousand dollars (\$1,000) from the same source made in the previous calendar year to the person making disclosure or to the spouse or minor children unless:

(A) The loan is from an immediate family member;

(B) The loan is from a financial institution whose deposits are insured by an entity of the federal government, or such loan is made in accordance with existing law and is made in the ordinary course of business. A loan is made in the ordinary course of business if the lender is in the business of making loans, and the loan bears the usual and customary interest rate of the lender for the category of loan involved, is made on a basis which assures repayment, is evidenced by a written instrument, and is subject to a due date or amortization schedule;

(C) The loan is secured by a recorded security interest in collateral, bears the usual and customary interest rate of the lender for the category of loan involved, is made on a basis which assures repayment, is evidenced by a written instrument, and is subject to a due date or amortization schedule;

(D) The loan is from a partnership in which the legislator has at least ten percent (10%) partnership interest; or

(E) The loan is from a corporation in which more than fifty percent (50%) of the outstanding voting shares are owned by the person making disclosure or by a member of such person's immediate family.

As used in this subdivision (8), "immediate family member" means a spouse, parent, sibling or child; and

(9) Such additional information as the person making disclosure might desire.

#### **8-50-503. Amendments of disclosure statements.**

Any disclosure statement shall be amended from time to time as conditions change because of the termination or acquisition of interests as to which disclosure is required.

#### **8-50-504. Filing of amended disclosure statement.**

As long as any person required by the provisions of this part to file a disclosure statement retains office or employment, such person shall file an amended statement with the registry of election finance or notify the registry of election finance in writing that such person has had no change of condition which requires an amended statement, not later than January 31 of each and every year, except that a delegate to a constitutional convention shall submit an amended statement with the registry of election finance or notify the registry of election finance, in writing, that such person has had no change of condition, not later than fifteen (15) days after the date provided in the call for the convening of the constitutional convention. If January 31 falls on a Saturday, a Sunday, or a legal holiday, the provisions of § 1-3-102 shall apply.

#### **8-50-505. Enforcement powers.**

(a) The registry of election finance and the appropriate county administrator of elections have the jurisdiction to administer and enforce the provisions of this part concerning disclosure statements of conflicts of interests. This enforcement power includes the full range of powers and penalties and procedures established in title 2, chapter 10, by Acts 1989, ch. 585.

(b) It is the intent of the general assembly that the sanctions provided in this section are the civil penalties enacted into law by Acts 1989, ch. 585.

#### **8-50-506. Career service employees - Financial disclosure.**

(a) No employee in the career service under chapter 30 of this title, shall be required by the appointing authority to submit a disclosure statement or any financial disclosure statement, unless such employee or a member of the employee's immediate family has a financial interest with a value of more than five thousand dollars (\$5,000)

which would constitute a conflict of interest or a potential conflict of interest under state law or the department of personnel's policy or other departmental policy.

- (b) Disclosure to the immediate supervisor is required at the time an assignment is received which could result in a conflict. The immediate supervisor would then determine if a conflict exists which warrants reassignment of that task to another employee.
- (c) Disclosures provided for in this section shall apply to any employee or person whose duties are to regulate, inspect, audit or procure goods or services or to administer tax laws. Disclosures are required for individuals who have authority over these persons or these functions.
- (d) The appointing authority has responsibility for clearly communicating these provisions in writing to agency employees upon hiring and annually thereafter.